

## Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 L-03 COME-00 FMC-01 TRSE-00 STR-04

CIAE-00 DODE-00 DOTE-00 INR-07 NSAE-00 CG-00 OFA-01

DLOS-04 AGR-05 CEA-01 FRB-03 H-02 INT-05 LAB-04

NSC-05 PA-01 AID-05 CIEP-01 SS-15 TAR-01 PRS-01 SP-02

OMB-01 INRE-00 NSCE-00 SSO-00 USIE-00 FEA-01 JUSE-00

FTC-01 /092 W

----- 088600

O R 232231Z SEP 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 8275

INFO AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE GUATEMALA 5199

E.O. 11652: N/A

TAGS: EWWT ETRDHT

SUBJECT: DELTA/FLOMERCA DISPUTE - DELTA POSITION

REF: GUATEMALA 5196 (NOTAL)

1. EMBOFF VISITING NEW ORLEANS (EN ROUTE COMMERCIAL OFFICER'S CONFERENCE, SAN JUAN) HAD DISCUSSION WITH CAPT. CLARK, PRESIDENT DELTA, SEPT. 15. CLARK AS CONFIDENT AS FLOMERCA (REFTEL) THAT HIS SIDE WILL WIN CASE BEFORE FEDERAL MARITIME AND SPECIAL TRADE REP. CLAIMED THAT THOUGH FMC HAD RECENTLY APPROVED OF ASSOCIATION AGREEMENTS BETWEEN FLOMERCA AND US-BASED COMPANIES, HE HAD BEEN GIVEN ASSURANCES BY FMC THAT HEARINGS WOULD REOPEN QUESTION OF ACCEPTABILITY THESE AGREEMENTS.

2. CLARK REPORTED THAT IN MEANTIME DELTA PUSHING HARD TO GAIN FREIGHT FOR GUATEMALA: IS OFFERING CUT RATES,  
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DIVERTING SHIPS FROM OTHER RUNS, AND IN GENERAL TRYING TO

DEVELOP AS MUCH BUSINESS AS POSSIBLE. IN EFFECT IS DEMONSTRATING VALUE OF DELTA SERVICE TO IMPORTERS IN GUATEMALA WHILE CHALLENGING GOVERNMENT TO DENY ACCESS. PRESUMABLY, FREIGHT CARRIED IS DUTIABLE AND SO DOES NOT COME UNDER DECREE 41-71, OR IS EXONERATED AND DELTA IS GETTING NECESSARY WAIVERS FROM GUATEMALAN LINES TO BRING CARGO IN WITHOUT PENALTY.

3. CLARK NOTED THAT DELTA HAS INITIATED LASH (LIGHTER ABOARD SHIP) SERVICE TO PUERTO CORTES, HONDURAS, AND OTHER CARIBBEAN/SOUTH AMERICAN PORTS. FIRST CALL MADE AT PUERTO CORTES SEPT. 9; NEXT CALL ON REGULAR TWICE-MONTHLY SERVICE WILL BE SEPT. 22. CLARK SAID SHORTLY DELTA WILL CARRY ON LASH VESSEL CARGO FOR GUATEMALA TO BE TRUCKED FROM PUERTO CORTES ACROSS BORDER IN A DIVERSION OF TRAFFIC AROUND GUATEMALAN ATLANTIC PORTS THAT HITHERTO HAS NOT BEEN MUCH RESORTED TO. FREIGHT RATES HERE TOO WILL BE KEPT ATTRACTIVELY LOW.

4. THOUGH GUATEMALA "SMALL COUNTRY", IT CAN SERVE AS "AN EXAMPLE", CLARK SAID. DELTA RESOLVED TO GAIN EQUAL ACCESS TO IMPORT CARGO AND EMPLOYING ALL RESOURCES TO DO SO.

5. CLARK PROVIDED TEXT OF STATEMENT HE WILL MAKE ON OPENING OF HEARINGS BEFORE STR SEPT. 25. SPEECH RELATIVELY DISPASSIONATE REVIEW OF DEVELOPMENTS IN DELTA'S EFFORTS TO SECURE EQUAL ACCESS HERE BUT CONTAINS FOLLOWING STATEMENT: "UPON RECEIPT OF THE FLOMERCA JUNE 25, 1975 PROPOSAL, DELTA CONFERRED WITH THE US STATE DEPARTMENT, THE FEDERAL MARITIME COMMISSION AND THE US MARITIME ADMINISTRATION, DEVELOPING A CONSENSUS THAT IT WAS FUTILE TO CONTINUE ANY FURTHER NEGOTIATIONS ON A COMMERCIAL LEVEL, AND THAT PROMPT PETITIONS FOR RELIEF SHOULD BE SUBMITTED TO THE UNITED STATES MARITIME COMMISSION, UNDER PROVISION OF SECTION 19 OF THE MERCHANT MARINE ACT OF 1920, AND TO THE OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, UNDER THE PROVISION OF TITLE III, SECTION 301."

6. COMMENT: EMBASSY AT NO TIEM SUGGESTED TO DELTA THAT IT WAS FUTILE TO CONTINUE NEGOTIATIONS WITH FLOMERCA AND THAT LIMITED OFFICIAL USE

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PETITIONS FOR RELIEF SHOULD BE MADE TO FMC AND STR. WOULD APPRECIATE ADVICE WHETHER FOREGOING ACCURATE DESCRIPTION OF REPORTED CONSENSUS IN WASHINGTON.  
MELOY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, CARGO, DATA, STEAMSHIP LINES  
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**Copy:** SINGLE  
**Draft Date:** 23 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Document Number:** 1975GUATEM05199  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
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**Reference:** 75 GUATEMALA 5196  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2003 by izenbei0>; RELEASED <10 SEP 2003 by KelleyW0>; APPROVED <06 NOV 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DELTA/FLOMERCA DISPUTE - DELTA POSITION  
**TAGS:** EWWT, DELTA, FLOMERCA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006